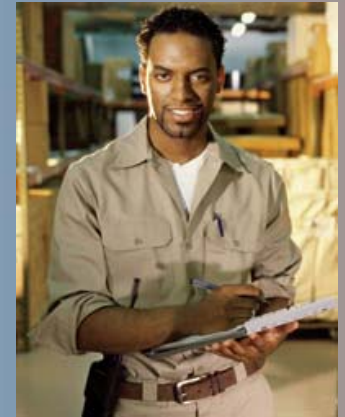




# U.S. Small Business Administration

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Your small business resource.



Helping small businesses  
**start, grow and succeed.**

*SBA Michigan District Office*



# What is the SBA?

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## A Federal Agency that Helps Entrepreneurs:

- **Start a Business**
- **Stay in Business**
- **Grow their Business**

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# Program Areas

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- **Small Business Counseling**
- **Financial Assistance**
- **Government Contracting**

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# Entrepreneurial Development

**Funded by the SBA to Provide Free Assistance:**

## **Michigan Small Business & Technology Development Centers (MI-SBTDC)**

### **Services:**

- **Business Plan Assistance**
- **Finding Sources of Capital**
- **Researching and Preparing a Marketing Plan**
- **Ensure the Business Complies with Local, State and Federal Regulations**
- **Specialized Services for Technology based businesses**
- **[www.gvsu.edu/misbtdc](http://www.gvsu.edu/misbtdc)**

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# Entrepreneurial Development

## SCORE

**“Counselors to America’s Small Businesses”**

- **SCORE is a national professional association sponsored by SBA, which offers:**
  - **Free, one-on-one technical and managerial assistance**
  - **Low cost training programs.**
- **SCORE has 48 locations in Michigan and more than 350 counselors.**
- **[www.score.org](http://www.score.org),  
[www.scoremichigan.com/](http://www.scoremichigan.com/)**

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# Entrepreneurial Development

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## U.S. Export Assistance Center

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- **Cooperative effort**
  - U.S. DOC, SBA, EXIM Bank, AID
- **Trade promotions, Export finance resources, Consulting, Training programs**
- **Four Locations in Michigan**
  - Detroit: 313-226-3650
  - Pontiac: 248-975-9600
  - Ypsilanti: 734-487-0259
  - Grand Rapids: 616-458-3564

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**Web site: [www.exportmichigan.com](http://www.exportmichigan.com)**





# Entrepreneurial Development

## Small Business Training Network

[www.sba.gov/services/training](http://www.sba.gov/services/training)

- Training any time & any where with computer and Internet access
- Internet-based training site provides:
  - Free online courses and workshops
  - Learning tools
  - Direct access to electronic counseling and other forms of technical assistance



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# Financial Assistance

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**SBA is the largest provider of  
access to capital for small  
business.**

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# Financing Assistance

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## SBA Myths

- SBA has no Grants
- No Direct Loans since 1995
- No special programs based on ownership characteristics
- Prior declines are not needed

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# Financing Assistance

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## Three Basic Categories

- SBA 7(A)
  - SBA Express
  - Patriot Express
- SBA 504(C)
- Microloan

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# Financing Assistance

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## 7(a) Guaranty Programs

- Borrower works with the Bank, not the SBA
- SBA guarantees the Bank from losses

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# Financing Assistance

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## SBA Guaranteed Loans

### Used for:

- Purchase Equipment, Supplies, Real estate, Another Business
- Long term Working Capital
- Start a New Business
- Add staff
  
- Lines of Credit may be guaranteed under the Express loans

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# Financing Assistance

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## Typical use of SBA guarantee

- Insufficient Collateral available
- Start up (less than 2 years)
- Industry Risk
- Poor Historical Earnings
- Insufficient equity

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**OPERATION SAVE**  
Serving America's Veteran Entrepreneurs

# When to Use SBA Guaranties

**Collateral  
Shortfall**

Add Collateral

Reduce Loan  
Amount

Decline

*Add SBA  
Guarantee*

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# Financing Assistance

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## SBA 504 (c)

- Long term financing to purchase Real Estate or Capital Equipment
- Borrower can purchase with as little as 10% down payment
- Administered through Certified Development Corporations (CDC)
  - 6 in Michigan

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# Contracting Opportunities

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The federal government purchases over \$400 billion in goods and services each year that range from paperclips to complex space vehicles.

## MICHIGAN 2007

- 43<sup>rd</sup> in contracts (per capita basis)
- \$7.3 Billion by place      21<sup>th</sup> Place  
Nationally
- \$7.6 Billion by Vendor      20<sup>th</sup> Place  
Nationally

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Government Contracting and  
Business Development

- The statutory goals:

- 23% of all prime and subcontracts for small businesses (SB)
- 5% of prime and subcontracts for small disadvantaged businesses (SDB) including 8(a)
- 5% of prime and subcontracts for woman owned small businesses (WOB)
- 3% of prime and subcontracts for Historically Underutilized Zone small businesses (HUBZone SB)
- 3% of prime and subcontracts for service disabled veteran-owned small businesses (SDVOSB)

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# What Determines “small” ?

## (First Criteria)

- Only SBA determines size.
- “A business entity organized for profit, with a place of business located in the United States, and which operates primarily within the United States or which makes a significant contribution to the U. S. economy through the payment of taxes or use of American products, material or labor”

(13 CFR Part 121)

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# What Determines "small" ?

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## (Second Criteria)

- North American Industry Classification System Code (NAICS Code)
- <http://www.sba.gov/size/>
- Manufacturers, Wholesalers =  
Number Employee
- Services = Annual Gross Sales

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# Certification

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- **Federal Contracts**

- Small Business (self-certify)
- Woman-owned Small Business (self-certify)
- Veteran-Owned Small Business (self-certify)
- Service-Disabled Veteran Owned Small Bus (self-certify)
- Small Disadvantaged Business (self-certify)
- 8(a) Program (pre-certification)
- HUBZone Small Business (pre-certification)

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# Set Aside Programs

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- **FOUR Set Aside categories:**
  - Small Business Set Asides (SBSA)
  - SBA 8(a) Set Asides
  - SBA Hubzone Set Asides
  - SDVOSB Set Asides



"Get Your Foot in the Door"

# Central Contractor Registration (CCR)

<http://www.ccr.gov/>

- An integrated database of businesses that want to do business with the government.
- CCR profile is an important marketing tool

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# "Get Your Foot in the Door"

continued

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- Certifications – “ORCA”
  - <http://orca.bpn.gov>
- Federal Technical Data Solutions (FedTeDS) website
  - <http://www.fedteds.gov>



## Where are the Bid Advertisements?

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- Federal Contract Opportunities
- Government Procurement Search Engine
  - (Vendor Notification Service)
  - <http://www.fbo.gov>
- Agency Web Sites
  - <http://dodbusopps.com/>
  - <http://www.gsa.gov>
  - [http://prod.nais.nasa.gov/pub/fedpro  
c/home.html](http://prod.nais.nasa.gov/pub/fedproc/home.html)





## *What Makes a Good Contractor?*

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- Understand every detail of the statement of work (SOW) as it applies to your subcontract
- Understand the Government's expectations at the prime contract level
- Meet the terms & conditions of your subcontract, especially with respect to price and delivery
- Keep the lines of communication open
  - Don't let problems fester
  - Don't let your customer ever be surprised!

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## *What Does the Federal Government & Prime Contractors Look for in a Contractor/Subcontractor?*

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- Firms that can provide products or services cheaper or better (more efficiently) than if they were made or performed in-house
- Good references
- Socio-economic status (certifications)
  - Firms that can help a prime contractor to meet its socio-economic goals on Government contracts are always a bonus

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## 3 THINGS TO REMEMBER

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- KNOW YOUR CUSTOMER
  - Who buys your product or service
  - How they buy
  - When they buy
- KNOW THE RULES
  - Federal Acquisition Regulations
  - Contract requirements and specifications
  - Contract history
- PERFORM AS PROMISED
  - On-time delivery
  - Quality
  - Price

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# On Receiving a Solicitation First 3 Things to do

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## 1. Read It Carefully

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# AND

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# On Receiving a Solicitation

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## 2. Read It Again

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# AND

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# On Receiving a Solicitation

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## 3. Read It Again

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# Final Thoughts on Contracting

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- The Federal Government can be a great market for many small businesses.

**BUT**

- To succeed you must fully commit to learning all aspects of contracting the federal government way.

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# Michigan PTACs

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Big Rapids  
Detroit  
Escanaba  
Flint  
Grand Rapids  
Jackson  
Kalamazoo  
Lansing  
Lansing  
Livonia  
Marlette  
Muskegon  
Onaway  
Saginaw  
Southgate  
Traverse City  
Warren

*☆☆ See Resource  
Book for contact  
information (p 43)*

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# Sources of SBA Information

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- Michigan Small Business Resource Guide (copy at [www.sba.gov/mi](http://www.sba.gov/mi), under Resources)
- Michigan District Office
  - (313) 226-6075
  - E-mail: [michigan@sba.gov](mailto:michigan@sba.gov)
- Web Sites
  - [www.sba.gov](http://www.sba.gov)
  - [www.sba.gov/mi](http://www.sba.gov/mi)



# Sources of Information

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- [www.business.gov](http://www.business.gov)
- [www.ccr.gov](http://www.ccr.gov)
- [www.misbtdc.org](http://www.misbtdc.org)
- [www.score.org](http://www.score.org)
- State of Michigan Web sites
  - [www.michigan.gov/beyourownboss](http://www.michigan.gov/beyourownboss)
  - [medc.michigan.org](http://medc.michigan.org)

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*Questions???*